

**CITY OF RICHMOND**

Richmond, Kansas

**FINANCIAL STATEMENT  
AND  
INDEPENDENT AUDITOR'S REPORT**

December 31, 2014

# CITY OF RICHMOND

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## INDEPENDENT AUDITOR'S REPORT

City Council  
City of Richmond  
Richmond, Kansas

### Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances - of City of Richmond, Kansas, as of and for the year ended December 31, 2014 and the related notes to the financial statement.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by the City of Richmond to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Adverse Opinion on U.S. Generally Accepted accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of City of Richmond as of December 31, 2014, or changes in financial position and cash flows thereof for the year then ended.

### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Richmond as of December 31, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

### **Other Matters**

#### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

#### ***Prior Year Comparative***

The 2013 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures -- actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we have rendered an unmodified opinion dated July 6, 2015. The 2013 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used into prepare the 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2013 basic financial statement as a whole, on the basis of accounting described in Note C.



Agler & Gaeddert, Chartered  
July 6, 2015

**City of Richmond, Kansas**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS**

For the Year Ended December 31, 2014

<b>Fund</b>	<b>Unencumbered Cash Balance Beginning of Year</b>	<b>Cash Receipts</b>
<b>Governmental Fund Types</b>		
General	\$ 196,072	\$ 247,279
<b>Special Purpose Funds</b>		
Library	0	13,976
Parks and recreation	6,147	6,292
Special highway	19,448	12,017
Fishing	2,077	1,313
Capital Improvement	37,659	37,659
<b>Capital Project Funds</b>		
Capital Project	0	127,668
<b>Business Funds</b>		
Water system operating account	49,173	98,713
Sewer system operating account	32,955	43,262
	<u>343,531</u>	<u>588,179</u>
<b>Related Municipal Entity</b>		
Library	3,615	35,077
Library - Capital improvement	328	10
	<u>3,943</u>	<u>35,087</u>
<b>Total Reporting Entity</b>	<u>\$ 347,474</u>	<u>\$ 623,266</u>

Composition of Cash:

The accompanying notes are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Unencumbered Cash Balance End of Year</u>	<u>Outstanding Accounts Payable and Encumbrances</u>	<u>Cash Balance End of Year</u>
\$ 212,011	\$ 231,340	\$ 6,936	\$ 238,276
13,976	0	0	0
4,951	7,488	17	7,505
4,792	26,673	457	27,130
1,185	2,205	0	2,205
0	75,318	0	75,318
117,183	10,485	0	10,485
84,500	63,386	5,607	68,993
34,905	41,312	1,634	42,946
<u>473,503</u>	<u>458,207</u>	<u>14,651</u>	<u>472,858</u>
36,334	2,358	0	2,358
0	338	0	338
<u>36,334</u>	<u>2,696</u>	<u>0</u>	<u>2,696</u>
<u>\$ 509,837</u>	<u>\$ 460,904</u>	<u>\$ 14,651</u>	<u>\$ 475,555</u>

Interest-bearing transaction accounts:

City	\$ 476,146
Library	<u>2,696</u>
Total reporting entity	478,842
Less agency funds	<u>(3,287)</u>
	<u>\$ 475,555</u>

## CITY OF RICHMOND

### NOTES TO FINANCIAL STATEMENT

December 31, 2014

#### NOTE A. MUNICIPAL REPORTING ENTITY

The City of Richmond is incorporated under the laws of the State of Kansas and operates under an elected Mayor-Council form of government. This financial statement presents the City of Richmond (the municipality). Also presented in the financial statement is Library which is a related municipality entity. The Library provides library services to the area. The Library board is appointed by the City. The City appropriates and distributes tax monies to the Library.

#### NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potential could have the following types of funds.

**General Fund** – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Funds** – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

**Bond and Interest Fund** – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt. The City did not have any capital project funds for the year presented.

**Capital Project Fund** – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

**Business Fund** – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

**Trust Fund** – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipality reporting entity scholarship funds, etc.). The City did not have any trust funds for the year presented.

**Agency Fund** – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, tax collection accounts, etc.).

#### NOTE C. BASIS OF ACCOUNTING

*Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America* - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

## CITY OF RICHMOND

### NOTES TO FINANCIAL STATEMENT

December 31, 2014

#### NOTE C. BASIS OF ACCOUNTING- continued

City of Richmond has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

#### NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

**Adjustment for Qualifying Budget Credits** – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board. The following funds are not required to have a published budget.

Capital Improvement Fund

Capital Project

Library

Library Capital Improvement



## CITY OF RICHMOND

### NOTES TO FINANCIAL STATEMENT

December 31, 2014

#### NOTE E. DEPOSITS AND INVESTMENTS

##### City

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Concentration of credit risk* - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City has no investments.

*Custodial credit risk – deposits:* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2014.

At December 31, 2014, the carrying amount of the City's bank deposits was \$476,145 and the bank balance was \$476,195. The bank balance was held by one bank resulting in a concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$250,000 was covered by federal depository insurance coverage. \$226,195 was covered by pledged securities.

*Custodial credit risk – investments:* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year end.

##### Library

K.S.A. 9-1401 establishes the depositories which may be used by the Library. The statute requires banks eligible to hold the Library's funds have a main or branch bank in the county in which the Library is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The Library has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Library's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Library has no investment policy that would further limit its investment choices.

*Concentration of credit risk* - State statutes place no limit on the amount the Library may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Library has no investments.

# CITY OF RICHMOND

## NOTES TO FINANCIAL STATEMENT

December 31, 2014

### NOTE E. CASH AND INVESTMENTS - continued

#### Library - continued

*Custodial credit risk – deposits:* Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. State statutes require the Library's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2014.

At December 31, 2014, the carrying amount of the Library's bank deposits was \$2,696 and the bank balance was \$3,794. The bank balance was held by one bank resulting in a concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$3,794 was covered by federal depository insurance coverage.

*Custodial credit risk – investments:* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year end.

### NOTE F. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>Transfer from:</u>	<u>Transfer to:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Capital Improvement	12-1118	\$ 37,659

### NOTE G. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

*Other Post Employment Benefits:* As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

*Compensated Absences:* Employees of the City are entitled to paid vacation and paid sick days off, depending on job classification, length of service and other factors. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The City's policy is to recognize the costs of compensated absences when actually paid to employees.

### NOTE H. DEFINED BENEFIT PENSION PLAN

*Plan description -* The City of Richmond participates in the Kansas Public Employees Retirement System (KPERs) which is a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERs provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

## CITY OF RICHMOND

### NOTES TO FINANCIAL STATEMENT

December 31, 2014

#### NOTE H. DEFINED BENEFIT PENSION PLAN - continued

*Funding policy* - KSA 74-4919 and K.S.A. 74-4921 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is Tier 1 or Tier 2 member. The Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

*Net Pension Liability* - The total pension liability for KPERS was determined by actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014 the net pension liability for KPERS was \$8,291,794,910. KPERS has not determined the Municipality's proportionate share of the net pension liability as of December 31, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described in the first paragraph above.

#### NOTE I. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

#### NOTE J. LONG-TERM DEBT

The City has a loan from the Kansas Department of Health and Environment for the purpose of a water project for the City. The City has borrowed \$127,688 at a rate of 2.3%. The loan is repayable in 2015 once the project is completed.

#### NOTE J. OTHER INFORMATION

*Ad Valorem Tax Revenue:* The determination of assessed valuation and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's office annually determines assessed valuation and the County Clerk spreads the annual assessment to the taxing units. One-half of the property taxes are due December 20 and distributed to the City by January 20 to finance a portion of the current year's budget. The second half is due May 20 and distributed to the City by June 5. The City draws available funds from the County Treasurer's office at designated times throughout the year.

*Reimbursed Expenses:* The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as receipts in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Management is not aware of any other statutory violations in the period covered by this audit.

#### NOTE K. SUBSEQUENT EVENTS

*Subsequent Events:* The City evaluated subsequent events through July 6, 2015, the date the financial statements were available to be issued. No subsequent events were identified which require disclosure.

**REGULATORY BASIS  
SUPPLEMENTARY INFORMATION**

**City of Richmond, Kansas**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
**(Budgeted Funds Only)**  
**Regulatory Basis**  
**For the Year Ended December 31, 2014**

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustments for Qualifying Budget Credits</u>
<b>Governmental Type Funds</b>		
General	\$ 323,299	\$ 0
<b>Special Purpose Funds</b>		
Library	14,300	0
Parks and recreation	14,165	0
Special highway	20,850	0
Fishing	2,350	0
<b>Business Funds</b>		
Water system operating account	140,140	0
Sewer system operating account	56,046	0

See Independent Auditor's Report.

	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
\$	323,299	\$ 212,011	\$ (111,288)
	14,300	13,976	(324)
	14,165	4,951	(9,214)
	20,850	4,792	(16,058)
	2,350	1,185	(1,165)
	140,140	84,500	(55,640)
	56,046	34,905	(21,141)

**City of Richmond, Kansas**

Schedule 2a

GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014

(With comparative actual totals for the prior year ended December 31, 2013)

	2013 Actual	2014		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes				
Ad valorem property tax	\$ 84,596	\$ 82,773	\$ 91,307	\$ (8,534)
Back tax collections	3,903	5,898	0	5,898
Vehicle tax	12,688	15,395	14,220	1,175
RV tax	272	178	344	(166)
Local alcoholic liquor tax	0	0	1,594	(1,594)
Sales and use tax	78,363	81,161	67,200	13,961
Franchise tax	25,690	27,382	23,000	4,382
Dog/cat licenses	405	533	130	403
Building permits	1,390	0	0	0
Fines and fees	256	345	150	195
Trash	22,962	25,363	23,000	2,363
Late charges	5,574	6,163	2,000	4,163
Interest	170	216	100	116
Miscellaneous	1,558	1,872	0	1,872
Settlement	61,380	0	0	0
Total receipts	299,207	247,279	\$ 223,045	\$ 24,234
<b>Expenditures</b>				
Wages & council pay	62,264	71,039	\$ 70,000	\$ 1,039
Employee benefits	25,629	17,097	24,000	(6,903)
Office supplies & postage	6,760	5,869	5,000	869
Repairs and maintenance	9,262	4,828	5,000	(172)
Professional fees	6,500	0	450	(450)
Publishing	92	0	1,200	(1,200)
Utilities	2,068	2,106	8,000	(5,894)
Audit	1,900	5,678	5,000	678
Training	2,270	1,314	3,000	(1,686)
Contract services	17,319	5,137	5,000	137
Legal	655	5,088	5,000	88
Equipment/supplies	4,607	5,320	7,000	(1,680)
Bank charges	294	320	350	(30)
Miscellaneous	125	150	0	150
Insurance/bonds	19,984	11,389	25,000	(13,611)
Capital outlay	0	0	73,640	(73,640)
Street lighting	13,963	14,098	20,000	(5,902)
Trash contract	22,560	24,919	28,000	(3,081)
Transfers Out	37,659	37,659	37,659	0
Total expenditures	233,911	212,011	\$ 323,299	\$ (111,288)

See Independent Auditor's Report.

**City of Richmond, Kansas**Schedule 2a

GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2014  
(With comparative actual totals for the prior year ended December 31, 2013)

		<u>2014</u>		<u>Variance</u>
	<u>2013</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
Receipts over (under) expenditures	\$ 65,296	\$ 35,268		
Unencumbered Cash, beginning of year	<u>130,776</u>	<u>196,072</u>		
Unencumbered Cash, end of year	\$ <u>196,072</u>	\$ <u>231,340</u>		

See Independent Auditor's Report.



**City of Richmond, Kansas**

Schedule 2b

SPECIAL PURPOSE FUNDS

LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014

(With comparative actual totals for the prior year ended December 31, 2013)

		<u>2014</u>		
	<u>2013</u>			<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
<b>Receipts</b>				
Taxes				
Ad valorem property tax	\$ 11,407	\$ 11,184	\$ 12,336	\$ (1,152)
Back tax collections	410	702	500	202
Vehicle taxes	1,295	2,066	1,918	148
RV tax	28	24	46	(22)
	<u>13,140</u>	<u>13,976</u>	<u>\$ 14,800</u>	<u>\$ (824)</u>
<b>Expenditures</b>				
Culture and recreation				
Appropriation	<u>13,140</u>	<u>13,976</u>	<u>\$ 14,300</u>	<u>\$ (324)</u>
	<u>13,140</u>	<u>13,976</u>	<u>\$ 14,300</u>	<u>\$ (324)</u>
Receipts over (under) expenditures	0	0		
Unencumbered Cash, beginning of year	<u>0</u>	<u>0</u>		
Unencumbered Cash, end of year	\$ <u>0</u>	\$ <u>0</u>		

See Independent Auditor's Report.

**City of Richmond, Kansas**

Schedule 2c

SPECIAL PURPOSE FUNDS  
PARKS AND RECREATION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014

(With comparative actual totals for the prior year ended December 31, 2013)

		<u>2014</u>		
	<u>2013</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
<b>Receipts</b>				
Taxes				
Ad valorem property tax	\$ 4,317	\$ 5,154	\$ 5,685	\$ (531)
Back tax collections	231	335	0	335
Vehicle taxes	738	793	726	67
RV tax	16	9	18	(9)
Local Alcohol Tax	<u>0</u>	<u>0</u>	<u>1,594</u>	<u>(1,594)</u>
Total receipts	<u>5,303</u>	<u>6,292</u>	<u>\$ 8,023</u>	<u>\$ (1,731)</u>
<b>Expenditures</b>				
Culture and recreation				
Contractual services	708	767	\$ 1,500	\$ (733)
Utilities	286	273	1,000	(727)
Buildings and grounds	218	58	0	58
Equipment repair	196	0	0	0
Restrooms	426	78	6,665	(6,587)
Appropriation	<u>3,182</u>	<u>3,775</u>	<u>5,000</u>	<u>(1,225)</u>
Total expenditures	<u>5,016</u>	<u>4,951</u>	<u>\$ 14,165</u>	<u>\$ (9,214)</u>
Receipts over (under) expenditures	287	1,341		
Unencumbered Cash, beginning of year	<u>5,860</u>	<u>6,147</u>		
Unencumbered Cash, end of year	\$ <u>6,147</u>	\$ <u>7,488</u>		

See Independent Auditor's Report.

**City of Richmond, Kansas**

Schedule 2d

SPECIAL PURPOSE FUNDS  
SPECIAL HIGHWAY FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014

(With comparative actual totals for the prior year ended December 31, 2013)

		<u>2014</u>		
	<u>2013</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
<b>Receipts</b>				
Intergovernmental				
State funds	\$ 11,667	\$ 11,972	\$ 12,060	\$ (88)
Reimbursement	<u>20</u>	<u>45</u>	<u>0</u>	<u>45</u>
Total receipts	<u>11,687</u>	<u>12,017</u>	<u>\$ 12,060</u>	<u>\$ (43)</u>
<b>Expenditures</b>				
Contractual	806	1,637	\$ 8,485	\$ (6,848)
Materials and supplies	579	1,655	12,365	(10,710)
Capital outlay	<u>4</u>	<u>1,500</u>	<u>0</u>	<u>1,500</u>
Total expenditures	<u>1,389</u>	<u>4,792</u>	<u>\$ 20,850</u>	<u>\$ (16,058)</u>
Receipts over (under) expenditures	10,298	7,225		
Unencumbered Cash, beginning of year	<u>9,150</u>	<u>19,448</u>		
Unencumbered Cash, end of year	\$ <u>19,448</u>	\$ <u>26,673</u>		

See Independent Auditor's Report.

**City of Richmond, Kansas**

Schedule 2e

SPECIAL PURPOSE FUNDS  
FISHING

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014

(With comparative actual totals for the prior year ended December 31, 2013)

		<u>2014</u>		
	<u>2013</u>			<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
<b>Receipts</b>				
State aid	\$ 1,313	\$ 1,313	\$ 1,200	\$ 113
Total receipts	<u>1,313</u>	<u>1,313</u>	<u>\$ 1,200</u>	<u>\$ 113</u>
<b>Expenditures</b>				
Contractual	867	957	\$ 850	\$ 107
Materials and supplies	265	228	1,500	(1,272)
Repairs and maintenance	<u>104</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>1,236</u>	<u>1,185</u>	<u>\$ 2,350</u>	<u>\$ (1,165)</u>
Receipts over (under) expenditures	77	128		
Unencumbered Cash, beginning of year	<u>2,000</u>	<u>2,077</u>		
Unencumbered Cash, end of year	\$ <u>2,077</u>	\$ <u>2,205</u>		

See Independent Auditor's Report.

**City of Richmond, Kansas**Schedule 2f

SPECIAL PURPOSE FUNDS  
CAPITAL IMPROVEMENT FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2014  
(With comparative actual totals for the prior year ended December 31, 2013)

	<u>2013 Actual</u>	<u>2014 Actual</u>
<b>Receipts</b>		
Transfers in	\$ 37,659	\$ 37,659
Total receipts	<u>37,659</u>	<u>37,659</u>
<b>Expenditures</b>		
Capital outlay	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	37,659	37,659
Unencumbered Cash, beginning of year	<u>0</u>	<u>37,659</u>
Unencumbered Cash, end of year	<u>\$ 37,659</u>	<u>\$ 75,318</u>

See Independent Auditor's Report.

**City of Richmond, Kansas**

Schedule 2g

**CAPITAL PROJECTS FUND  
CAPITAL PROJECTS FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2014**

	<b>2014 Actual</b>
<b>Receipts</b>	
Loan proceeds	\$ <u>127,668</u>
Total receipts	<u>127,668</u>
<b>Expenditures</b>	
Contractual	<u>117,183</u>
Total expenditures	<u>117,183</u>
Receipts over (under) expenditures	10,485
Unencumbered Cash, beginning of year	<u>0</u>
Unencumbered Cash, end of year	\$ <u><u>10,485</u></u>

See Independent Auditor's Report.

**City of Richmond, Kansas**

Schedule 2h

BUSINESS FUNDS  
WATER SYSTEM OPERATING ACCOUNT  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014

(With comparative actual totals for the prior year ended December 31, 2013)

		2014		Variance Over Under
	2013 Actual	Actual	Budget	
Receipts				
Charges for services - water	\$ 95,252	\$ 97,560	\$ 99,700	\$ (2,140)
Bulk sales	5,178	0	0	0
Sales Tax	1,483	1,153	2,000	(847)
Reconnection Fee	150	0	0	0
Penalties	555	0	250	(250)
Total receipts	102,618	98,713	\$ 101,950	\$ (3,237)
Expenditures				
Salaries and wages	29,728	34,049	\$ 35,000	\$ (951)
Employee Benefits	9,436	5,987	3,000	2,987
Contractual services	10,160	15,097	15,000	97
Equip Maintenance & Fuel	3,859	1,623	2,500	(877)
Utilities	8,309	9,401	11,000	(1,599)
Chemicals	11,083	12,603	16,000	(3,397)
Postage	289	237	500	(263)
Supplies/repairs	1,306	290	4,000	(3,710)
Lab/Water fee	1,708	2,136	2,250	(114)
Uniforms	0	0	750	(750)
Sales tax	3,424	3,077	3,000	77
Capital outlay	594	0	47,140	(47,140)
Total expenditures	79,896	84,500	\$ 140,140	\$ (55,640)
Receipts over (under) expenditures	22,722	14,213		
Unencumbered Cash, beginning of year	26,451	49,173		
Unencumbered Cash, end of year	\$ 49,173	\$ 63,386		

See Independent Auditor's Report.

**City of Richmond, Kansas**

Schedule 2i

BUSINESS FUNDS  
SEWER SYSTEM OPERATING ACCOUNT  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2014

(With comparative actual totals for the prior year ended December 31, 2013)

		<u>2014</u>		
	<u>2013</u>			<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
<b>Receipts</b>				
Charges for services - sewer	\$ 37,198	\$ 43,262	\$ 34,000	\$ 9,262
 Total receipts	 37,198	 43,262	 34,000	 9,262
 <b>Expenditures</b>				
Salaries and wages	18,346	20,654	\$ 15,000	\$ 5,654
Employee benefits	7,316	5,052	11,000	(5,948)
Utilities	3,901	4,343	7,000	(2,657)
Contractual services	4,144	2,040	0	2,040
Repairs/Fuel/Maintenance	2,355	2,359	5,000	(2,641)
Supplies	383	220	0	220
Permits	185	0	6,100	(6,100)
Postage	289	237	400	(163)
Capital outlay	170	0	11,546	(11,546)
 Total expenditures	 37,089	 34,905	 56,046	 (21,141)
 Receipts over (under) expenditures	 109	 8,357		
 Unencumbered Cash, beginning of year	 32,846	 32,955		
 Unencumbered Cash, end of year	 \$ 32,955	 \$ 41,312		

See Independent Auditor's Report.



**City of Richmond, Kansas**

Schedule 2j

RELATED MUNICIPAL ENTITY  
LIBRARY  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2014  
(With comparative actual totals for the prior year ended December 31, 2013)

	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
<b>Receipts</b>		
City appropriation	\$ 13,140	\$ 13,986
NEKLS grant	11,107	10,710
Township	250	0
E-rate	581	1,141
State aid	186	166
Summer Reading	100	375
Donations	471	236
Fines / Copies	397	384
Fundraising	3,789	6,069
Miscellaneous	1,227	757
Reimbursements	441	6
Wal-Mart grant	2,842	0
Interest	0	24
Kansas set-off	299	0
Other	40	1,223
	<hr/>	<hr/>
Total receipts	34,870	35,077
	<hr/>	<hr/>
<b>Expenditures</b>		
Salaries and wages	15,569	16,450
Payroll Taxes	4,612	5,040
Automation	450	450
Books	2,881	2,787
Movies/music	865	880
Periodicals	100	75
E-books	76	50
Software/games	8	25
Utilities	1,414	1,547
Internet	1,401	1,786
Repair/Maintenance	164	216
Insurance	708	801
Computers/office	615	635
Supplies	536	450
Continuing education	663	554
Conferences/workshops	765	1,134
Summer reading	149	200
Story hour/craft days	77	137
Miscellaneous	92	359
Fundraisers/matching	279	963
Postage courier	303	175
Employee/trusts	564	235
Grants/other	860	1,385
	<hr/>	<hr/>

See Independent Auditor's Report.

**City of Richmond, Kansas**

Schedule 2j

**RELATED MUNICIPAL ENTITY  
LIBRARY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With comparative actual totals for the prior year ended December 31, 2013)

	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Total expenditures	\$ 33,150	\$ 36,334
Receipts over (under) expenditures	1,720	(1,257)
Unencumbered Cash, beginning of year	<u>1,895</u>	<u>3,615</u>
Unencumbered Cash, end of year	\$ <u><u>3,615</u></u>	\$ <u><u>2,358</u></u>

See Independent Auditor's Report.

**City of Richmond, Kansas**Schedule 2k

RELATED MUNICIPAL ENTITY  
LIBRARY-CAPITAL IMPROVEMENT  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS

For the Year Ended December 31, 2014

(With comparative actual totals for the prior year ended December 31, 2013)

	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
<b>Receipts</b>		
Interest	\$ 21	\$ 10
Total receipts	<u>21</u>	<u>10</u>
<b>Expenditures</b>	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	21	10
Unencumbered Cash, beginning of year	<u>307</u>	<u>328</u>
Unencumbered Cash, end of year	\$ <u><u>328</u></u>	\$ <u><u>338</u></u>

See Independent Auditor's Report.

City of Richmond, Kansas

Schedule 3

AGENCY FUND  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
For the Year Ended December 31, 2014

	<u>Balance Beginning of Year</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance End of Year</u>
Payroll clearing	\$ 0	\$ 130,056	\$ 130,056	\$ 0
Water Deposits	<u>2,282</u>	<u>1,976</u>	<u>971</u>	<u>3,287</u>
Total	\$ <u><u>2,282</u></u>	\$ <u><u>132,032</u></u>	\$ <u><u>131,027</u></u>	\$ <u><u>3,287</u></u>

See Independent Auditor's Report.